

## Glossary of Terms

**Appropriation:**

A specific amount of money authorized by the City Council for an approved work program or individual project.

**Assessed Valuation:**

A dollar value placed on real estate or other property by Riverside County as a basis for levying property taxes.

**Balanced Budget:**

A budget in which planned expenditures do not exceed planned funds available.

**Beginning/Ending Fund Balance:**

Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year expenses.

**Bond:**

A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.

**Budget:**

An annual financial plan that identifies revenues, types and levels of services to be provided, and the amount of funds which can be spent. The City of Riverside's budget encompasses one fiscal year.

**Capital Improvement Program:**

A multi-year financial plan containing proposed construction of physical assets such as park, street, sewerage, cultural, and recreation facilities. This program has identified all projects which are the responsibility of the City between the present to buildout.

**Capital Outlay:**

Equipment (fixed assets) with a value of \$5,000 or more (or \$1,000 for electronic equipment) and an estimated useful life of more than one year, such as automobiles, and office furniture, which appear in the Operating Budget.

**Central Service Fund:**

A fund which provides services to all City departments and bills the various other funds for services rendered. Examples of Central Service Funds include Finance, Human Resources, and Administrative Services.

**Contingency:**

An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as federal mandates, shortfalls in revenue, and similar eventualities.

**Council-Manager Form of Government:**

An organizational structure in which the Mayor and City Council appoint an independent city manager to be the chief operating officer of a local government. In practice, a City Council sets policies and the city manager is responsible for implementing those policies effectively and efficiently.

**Cost Allocation:**

A method used to charge General Fund overhead costs to other funds, such as enterprise funds and internal service funds.

**Debt Service:**

The payment of principal and interest on borrowed funds such as bonds.

**Department:**

An organizational unit comprised of programs or divisions. Examples include the Police Department, Library Department, and Human Resources Department.

**Encumbrance:**

A legal obligation to pay funds, an expenditure of which has not yet occurred.

## Glossary of Terms

### **Enterprise Fund:**

A fund type established to account for the total costs of selected governmental facilities and services which are operated similar to private enterprises.

### **Estimate:**

As used throughout the budget document, represents the most recent estimate for current year revenue and expenditures. Estimates are based upon several months of actual expenditure and revenue experience and are prepared to consider the impact of unanticipated price or other economic changes.

### **Expenditure:**

The actual spending of funds set aside by appropriation for identified goods and services.

### **Fee:**

A general term used for any charge levied by government for providing a service or performing an activity.

### **Fiscal Year:**

A twelve-month period of time designated as the budget year. The City of Riverside's fiscal year is July 1 to June 30.

### **Full-Time Equivalent (FTE):**

A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time Typist Clerk working 20 hours per week would be equivalent to one-half of a full-time position, or 0.5 FTE.

### **Fund:**

A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

### **Fund Balance:**

The amount of financial resources available for use.

### **General Fund:**

The primary fund used by the City for which revenues and expenditures are not legally restricted for use. Examples of departments operating within the General Fund include Fire, Police, and City Manager.

### **Grant:**

Contributions of cash or other assets from another governmental agency to be used or expended for a specific purpose, activity or facility.

### **Infrastructure:**

Facilities that support the daily life and growth of the City, for example, roads, water lines, and sewers.

### **Objective:**

Describes an outcome to be accomplished in specific well-defined and measurable terms and is achievable within a specific timeframe. Generally, programs have objectives.

### **Ordinances:**

A formal legislative enactment by the governing board (i.e. City Council) of a municipality. If it is not in conflict with any higher form of law, it has the full force and effect of law within the boundaries of the municipality to which it applies.

### **Operating Budget:**

The annual appropriation of funds for on-going program costs, which include salaries, benefits, maintenance, operation, and capital outlay items.

### **Outputs:**

The general results expected from programs and functions.

## Glossary of Terms

**Performance Measurements:**

Statistical measures which are collected to show the impact of dollars spent on City services.

**Personnel Expenses:**

Salaries and fringe benefits such as pensions and insurance for full-time and part-time employees of the City.

**Preliminary Budget:**

A balanced budget presented to the City Council by the City Manager. Any City Council changes to the preliminary Budget are incorporated into the final adopted budget.

**Program:**

Represents major areas or support functions; they are defined as a service provided to citizens, other departments, or other agencies.

**Program Budget:**

A budget wherein expenditures are displayed primarily on programs of work, and only secondarily by the character and object class of the expenditure.

**Revenues:**

Amount of funds received from the collection of taxes, fees, permits, licenses, interest, and grants during the fiscal year.

**Salary Savings:**

Budget savings realized through normal employee turnover.